

**Product Disclosure Statement | Issue Number 6 | Dated 01 September 2010**

## **IML Wholesale Funds**

 **Investors Mutual Australian Share Fund**

ARSN 093 182 695 APIR IML0002AU

 **Investors Mutual Value & Income Fund**

ARSN 107 095 438 APIR IML0005AU

 **Investors Mutual Industrial Share Fund**

ARSN 093 182 195 APIR IML0004AU

 **Investors Mutual Concentrated Australian Share Fund**

ARSN 145 759 879 APIR IML0010AU

 **Investors Mutual Small Cap Fund**

ARSN 122 918 496 APIR IML0006AU

 **Investors Mutual Future Leaders Fund**

ARSN 093 182 828 APIR IML0003AU

 **Investors Mutual Australian Smaller Companies Fund**

ARSN 093 182 471 APIR IML0001AU

**Investors Mutual Limited**

Investment Manager and Responsible Entity

ABN 14 078 030 752 AFSL 229988

[www.iml.com.au](http://www.iml.com.au)





Cash <sup>1</sup>	0-10%	0-50%	0-20%	0-20%	0-20%	0-20%	0-20%
Australian equities <sup>2</sup>	90-100%	50-100%	80-100%	80-100%	Combined Australian & New Zealand equities 80-100%	80-100%	80-100%
New Zealand equities <sup>3</sup>	0%	0%	0%	0%		0%	0%
International equities <sup>4</sup>	0%	0%	0%	0%	0%	0%	0%

## Investors Mutual Wholesale Funds

	Investors Mutual Australian Share Fund	Investors Mutual Equity Income Fund	Investors Mutual Industrial Share Fund
ARSN	093 182 695	107 095 438	093 182 195
Investment Strategy	This Fund will invest in a diversified portfolio of quality Australian industrial and resource shares, where these shares are identified by our investment team as being undervalued.	This Fund will invest in a diversified portfolio of quality high yielding Australian shares, hybrids, bought and sold options and cash.	This Fund will invest in a diversified portfolio of quality Australian industrial shares, where these shares are identified by our investment team as being undervalued.
Benchmark	S&P/ASX300 Accumulation Index	Yield 2% above that of the S&P/ASX300 Accumulation Index	S&P/ASX300 Industrial Accumulation Index
Investment Guidelines <sup>1</sup>	Australian Shares <sup>2</sup> : 90%-100% Cash <sup>3</sup> : 0-10%	Australian Shares <sup>2</sup> : 50-100% Cash <sup>3</sup> : 0-50%	Australian Shares <sup>2</sup> : 80% -100% Cash <sup>3</sup> : 0-20%
Inception Date	30 June 1998	1 May 2004	1 May 2002
Distribution frequency and dates	Half yearly: 30 June and 31 December	Generally Quarterly, 30 June, 30 September, 31 December and 31 March	Half yearly: 30 June and 31 December
Management fees			
Performance Fee	0.974% p.a. of net assets of the fund (0.95% plus the net effect of GST) n/a	0.974% p.a. of net assets of the fund (0.95% plus the net effect of GST) n/a	0.974% p.a. of net assets of the fund (0.95% plus the net effect of GST) n/a

Note 1: The investment guidelines provide an indication of the intended holdings in the Funds and may be higher or lower from time to time.

Note 2: Including Australian equity derivatives and hybrid securities such as preference shares.

Note 3: Including cash equivalents such as other investment grade interest-bearing securities.

The column for the "Investors Mutual Australian Small Cap Fund" in the table on page 7 is deleted replaced as follows:

Investors Mutual Small Cap Fund
122 918 496
This Fund will invest in a diversified portfolio of quality Australian shares outside the Top 100 shares listed on the ASX, where these shares are identified by our investment team as being undervalued. The Fund may hold up to 25% of its assets in securities included in the S&P/ASX MidCap 50 Index and New Zealand securities.
S&P/ASX Small Ordinaries Accumulation Index
Australian & New Zealand Shares <sup>2</sup> : 80-100% Cash <sup>3</sup> : 0-20%
1 February 2007
Half yearly: 30 June and 31 December
1.1275% p.a. of net assets of the fund (1.10% plus the net effect of GST)
10.25% (10% plus the net effect of GST) of investment returns made in excess of 2% p.a. above the Benchmark.

The section heading "For the Investors Mutual Value & Income Fund only" on page 9 and the paragraph following the heading is deleted.

The section heading "Who is Global Value Investors Limited?" on page 11 and the paragraph following the heading is deleted.

Under the section heading "The benefits" on page 10 replace the first paragraph with the following:

**The benefits**

"The Funds will provide Australian and New Zealand investors access to Australian and New Zealand securities which aim to provide attractive investment opportunities for investors seeking medium-to-long term capital growth with income and in respect to the Equity Income Fund the objective is to provide regular income, including tax effective income, and some capital growth."

Under the section heading "Liquidity risk" on page 11, replace the existing information with the following:

**Liquidity risk**

As the Funds will invest in securities listed on exchanges in Australia and New Zealand, if there is an interruption of regular trading in a market or for a particular asset of the Funds (or if official quotation of stocks is denied), there may be delays in processing withdrawal requests. Similarly, for some securities in the Funds where the volume of trading is low, the ability to liquidate those securities in a timely manner may be impacted. IML closely monitors cash levels in the Funds to manage this risk and ensure that there is adequate liquidity to meet the needs of unit holders in ordinary circumstances.

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The second row of the table under the section heading "Management Costs Table" on page 13 is replaced with the following:

Investors Mutual Equity Income Fund (IMEI)	0.974% p.a. of the net assets of the fund (0.95% plus the net effect of GST)	Not applicable
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Contact details of issuer

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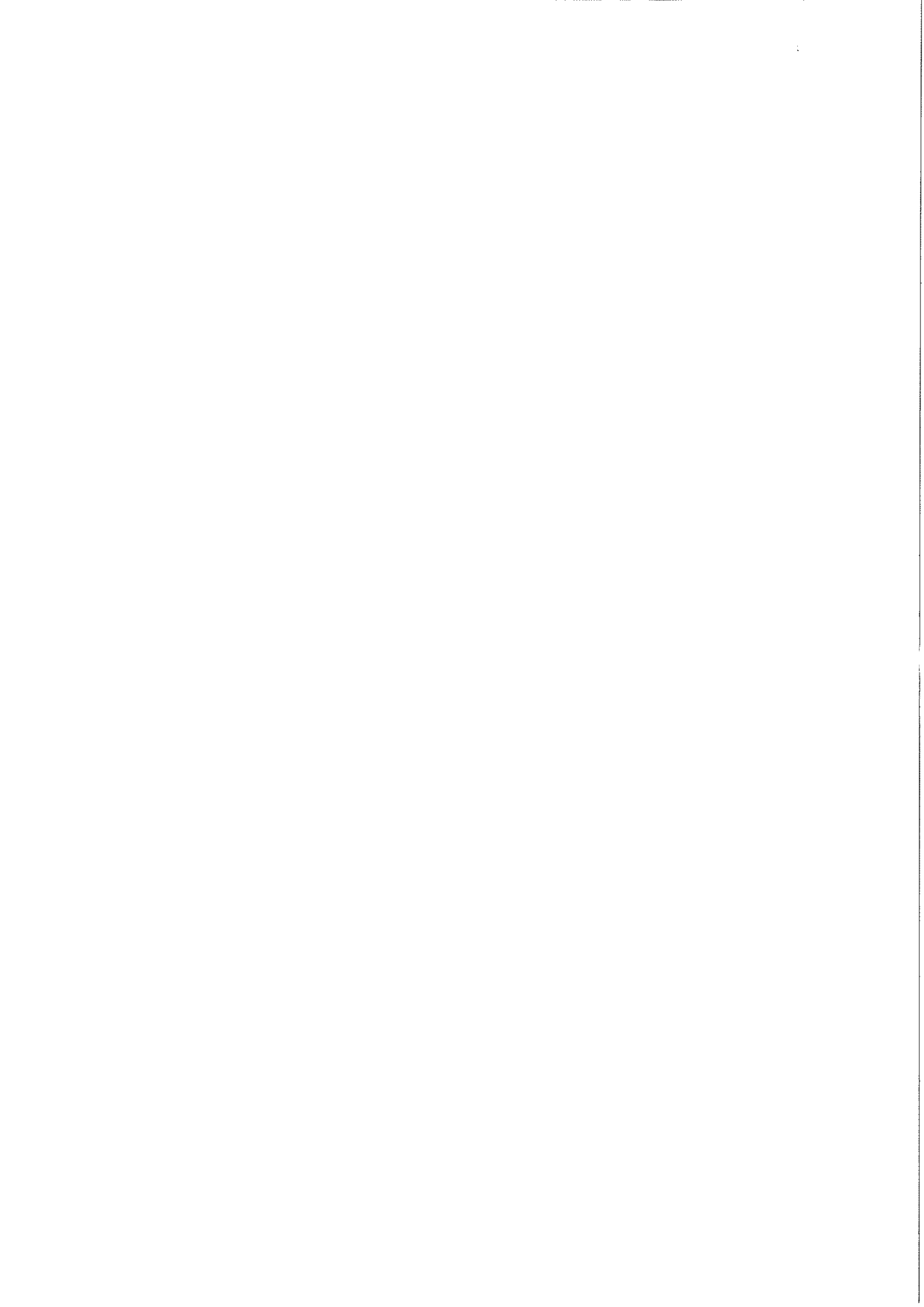
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## Before you start

It is important that you read this Product Disclosure Statement (**PDS**) carefully before deciding whether to invest and before lodging an application for units in the Investors Mutual Australian Share Fund, Investors Mutual Value & Income Fund, Investors Mutual Concentrated Australian Share Fund, Investors Mutual Industrial Share Fund, Investors Mutual Small Cap Fund, Investors Mutual Future Leaders Fund and Investors Mutual Australian Smaller Companies Fund (**Funds**). We suggest that you keep this PDS and any supplementary information for future reference.

Your investment does not represent deposits or other liabilities of Investors Mutual Limited (**IML**). Your investment can be subject to investment risk, including possible delays in repayment and loss of income and principal invested. IML, their officers, employees and agents do not in any way guarantee the capital value of your investment and/or the performance of the Funds.

The information contained in this PDS has been prepared without taking account of your personal objectives, financial situation or needs. To help you to make an informed investment decision, we recommend that you obtain professional advice from a licenced adviser and/or tax adviser before investing.

References in this PDS to “we”, “us” and “our” refer to IML.

## About this PDS

The offer of units in the Funds made in this PDS is available to persons receiving this PDS (including in electronic form) within Australia and New Zealand. Investors in New Zealand should read Section 20, “Important Information for New Zealand investors”. This PDS does not constitute an offer or invitation in any place outside Australia and New Zealand where, or to any person whom, it would be unlawful to make such an offer or invitation. If you have received this PDS electronically, IML will provide a paper copy free of charge on request.

Please note all references to dollar amounts and issue and redemption prices in this PDS are in Australian currency.

The information in this PDS is current as at the date of this PDS, unless otherwise stated, and is subject to change (including changes that are not materially adverse to investors). If the change is materially adverse, we will issue a Supplementary PDS. For updated information, please visit the IML website at [www.iml.com.au](http://www.iml.com.au). IML will provide you with a paper copy of any updated information free of charge on request. IML’s contact details are located inside the back cover of this PDS.

## Who is Investors Mutual Limited?

### Investors Mutual Limited

IML was established in 1998, and has approximately \$2.8 billion in funds under management as at 30 June 2010. IML holds Australian Financial Services Licence (**AFSL**) 229988, which includes an authorisation to operate managed investment schemes.

IML has a conservative investment style with a long-term focus, and aims to deliver consistent returns for clients. IML achieves this through the disciplined application of a fundamental and value-based approach to investing.

The IML investment team is a committed team whose remuneration structure aligns their interests with those of our clients.

Global Value Investors Limited (**GVI**), as an investment manager of the Investors Mutual Value and Income Fund, Messrs Todd and Wong, Bell Gully and Treasury Group Limited (**TRG**) have given, and not withdrawn their consent to being named in the PDS in the form and context in which that information is included.

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# 1 Significant features

Product Disclosure Statement (PDS)

Issue Date: 1 September 2010

Investment Manager	Investors Mutual Limited (IML)
Responsible entity/issuer	Investors Mutual Limited (IML)
Custodian and investment administrator	RBC Dexia Investor Services Trust
Unit pricing <sup>1</sup>	Daily
Minimum initial investment <sup>2</sup>	A\$500,000
Minimum additional investment <sup>2</sup>	A\$50,000
Minimum redemption amount <sup>2</sup>	A\$50,000
Minimum unit holding value <sup>2</sup>	A\$500,000
Applications and redemptions <sup>1</sup>	Daily
Entry fee <sup>3</sup>	Nil
Exit fee <sup>3</sup>	Nil
Transaction Costs per unit <sup>3</sup>	0.25% of the net value of the Fund per unit

Note 1: Please refer to Section 11, "Application and redemption prices" for complete details. These items are subject to change at the discretion of IML.

Note 2: We retain the discretion to waive these minimums. If you invest through an IDPS operator such as a master trust or wrap account platform, these minimums may not apply to you. Please refer to Section 16, "Master trust and wrap account investors" and to the information provided to you by your service provider.

Note 3: Please refer to Section 6, "Fees and other costs" for complete details on fees and charges and how they are calculated.

# 2

## About the Funds

As the responsible entity, IML invites you to invest in the Funds. The Funds are managed investment schemes, registered with Australian Securities and Investments Commission (**ASIC**) under the Corporations Act 2001 (**Corporations Act**) and are not listed on any securities exchange.

### Investment Objective

The objective of the Investors Mutual:

- Australian Share Fund;
- Industrial Share Fund;
- Small Cap Fund;
- Future Leaders Fund; and
- Australian Smaller Companies Fund, is to provide a rate of return (after fees and expenses and before taxes) which exceeds the return of the relevant Benchmark of each Fund (see table on page 6-7), on a rolling 4-year basis.

In the case of the Investors Mutual Value & Income Fund, the objective is to exceed the Benchmark over rolling 2-year periods.

In the case of the Investors Mutual Concentrated Australian Share Fund, the objective is to exceed the Benchmark over rolling 5-year periods.

The Funds aim to provide investors with sustainable returns over the medium to long term from a diversified portfolio of Australasian and international securities with risk/return characteristics IML believes are attractive, as follows:

- Australian Share Fund, Industrial Share Fund, Future Leaders Fund, Concentrated Australian Share Fund and Australian Smaller Companies Fund, the Funds will invest and provide unit holders with a practical means of gaining exposure to a portfolio of Australian securities;
- Value & Income Fund will invest in Australian securities, international securities and cash; and
- Small Cap Fund will invest in Australian and New Zealand securities and cash.

The total return of the Funds will be generated from dividends or interests paid by companies whose securities are held by the Funds and from the capital appreciation of securities in the Funds.

### Investment timeframe

Investors should take account of the short term volatility of share markets and consider an investment horizon of five years for an investment in the Funds. Investors in the Funds should understand that the value of an investment in the Funds will change over time.

### General Funds information

As a guideline, the Funds will usually each hold a minimum of 20 different securities. The main investments of the Funds (depending on the particular Fund) will include a combination of:

- securities listed on the Australian Securities Exchange (ASX) and New Zealand Stock Exchange (NZX);
- international securities;
- cash (and cash equivalents such as other investment grade interest-bearing securities);
- derivatives (covered calls/exposures through Share Price Index futures), as described below; and
- hybrid securities listed on the ASX and NZX.

IML may use options, futures and other derivatives to reduce risk or gain exposure to underlying physical investments. Derivatives are not used speculatively. IML will not use derivatives for the purpose of gearing the Funds. IML regularly monitors derivative positions to ensure that the Funds can meet all derivative contract obligations from the appropriate amounts of cash or physical assets held by the Funds. Please refer to Section 5, "The significant risks?" for further information on how IML manages derivatives risk.

The Funds will not borrow.

IML or GVI may hedge all of the Funds' currency exposure back to Australian dollars.

The investment mix for the Funds will generally fall within the ranges below:

Asset Ranges	Australian Share Fund	Value & Income Fund	Industrial Share Fund	Concentrated Australian Share Fund	Small Cap Fund	Future Leaders Fund	Australian Smaller Companies Fund
Cash <sup>1</sup>	0-10%	0-50%	0-20%	0-20%	0-20%	0-20%	0-20%
Australian equities <sup>2</sup>	90-100%	20-80%	80-100%	80-100%	Combined Australian & New Zealand equities 80-100%	80-100%	80-100%
New Zealand equities <sup>3</sup>	0%	0%	0%	0%		0%	0%
International equities <sup>4</sup>	0%	0-50%	0%	0%	0%	0%	0%

\*See page 7 for further explanation.

## Investors Mutual Wholesale Funds

	Investors Mutual Australian Share Fund	Investors Mutual Value & Income Fund	Investors Mutual Industrial Share Fund
ARSN	093 182 695	107 095 438	093 182 195
Investment Strategy	This Fund will invest in a diversified portfolio of quality Australian industrial and resource shares, where these shares are identified by our investment team as being undervalued.	This Fund will invest in a diversified portfolio of quality Australian shares International shares and cash where these shares are identified by our investment team as being undervalued.	This Fund will invest in a diversified portfolio of quality Australian industrial shares, where these shares are identified by our investment team as being undervalued.
Benchmark	S&P/ASX300 Accumulation Index	UBS Warburg Australian Bank Bill Index + 2%	S&P/ASX300 Industrial Accumulation Index
Investment Guidelines <sup>1</sup>	Australian Shares <sup>2</sup> : 90-100% Cash <sup>3</sup> : 0-10%	Australian Shares <sup>2</sup> : 20-80%, International Securities: 0-50% Cash <sup>3</sup> : 0-50%	Australian Shares <sup>2</sup> : 80-100% Cash <sup>3</sup> : 0-20%
Inception Date	30 June 1998	1 May 2004	1 May 2002
Distribution frequency and dates	Half yearly: 30 June and 31 December	Generally Quarterly, 30 June, 30 September, 31 December and 31 March	Half yearly: 30 June and 31 December
Management fees	0.974% p.a. of net assets of the fund (0.95% plus the net effect of GST)	1.025% p.a. of net assets of the fund (1.0% plus the net effect of GST)	0.974% p.a. of net assets of the fund (0.95% plus the net effect of GST)
Performance Fee	n/a	n/a	n/a

Note 1: The investment guidelines provide an indication of the intended holdings in the Funds and may be higher or lower from time to time.

Note 2: Including Australian equity derivatives and hybrid securities such as preference shares.

Note 3: Including cash equivalents such as other investment grade interest-bearing securities.

Note 1: Including cash equivalents such as other investment grade interest-bearing securities.

Note 2: Including Australian equity derivatives and hybrid securities such as preference shares.

Note 3: Including New Zealand equity derivatives and hybrid securities such as preference shares.

Note 4: Including International equity derivatives and hybrid securities such as preference shares.

Note 5: The investment guidelines provide an indication of the intended holdings in the Funds and may be higher or lower from time to time

In exceptional market conditions the Funds may have higher levels of cash where, in IML's opinion, more attractive investment opportunities cannot be found.

The investment mix can change quickly and sometimes significantly. Ask your financial adviser, contact us or visit IML's website for regular updates on the Funds.

Investors Mutual Concentrated Australian Share Fund	Investors Mutual Small Cap Fund	Investors Mutual Future Leaders Fund	Investors Mutual Australian Smaller Companies Fund
145 759 879	122 918 496	093 182 828	093 182 471
This Fund will invest in a concentrated portfolio of quality Australian shares, where these shares are identified by our investment team as being undervalued.	This Fund will invest in a diversified portfolio of quality Australian shares outside the Top 100 shares listed on the ASX, where these shares are identified by our investment team as being undervalued. The Fund may hold up to 25% of its assets in securities included in the S&P/ASX50 Index and New Zealand securities.	This Fund will invest in a diversified portfolio of quality Australian shares outside the Top 50 shares listed on the ASX, where these shares are identified by our investment team as being undervalued.	This Fund will invest in a diversified portfolio of quality Australian shares outside the Top 100 shares listed on the ASX, where these shares are identified by our investment team as being undervalued.
S&P/ASX300 Accumulation Index	S&P/ASX Small Ordinaries Accumulation Index	S&P/ASX300 Accumulation Index (excluding S&P/ ASX50, excluding Property Trusts)	S&P/ASX Small Ordinaries Accumulation Index (excluding Property Trusts)
Australian Shares <sup>2</sup> : 80-100% Cash <sup>3</sup> : 0-20%	Australian & New Zealand Shares <sup>2</sup> : 80-100% Cash <sup>3</sup> : 0-20%	Australian Shares <sup>2</sup> : 80-100% Cash <sup>3</sup> : 0-20%	Australian Shares <sup>2</sup> : 80-100% Cash <sup>3</sup> : 0-20%
1 September 2010	1 February 2007	1 May 2002	30 June 1998
Half yearly: 30 June and 31 December	Half yearly: 30 June and 31 December	Half yearly: 30 June and 31 December	Half yearly: 30 June and 31 December
0.974% p.a. of net assets of the fund (0.95% plus the net effect of GST)	1.1275% p.a. of net assets of the fund (1.10% plus the net effect of GST)	0.974% p.a. of net assets of the fund (0.95% plus the net effect of GST)	0.974% p.a. of net assets of the fund (0.95% plus the net effect of GST)
10.25% (10% plus the net effect of GST) of investment returns made in excess of 2% p.a. above the Benchmark.	10.25% (10% plus the net effect of GST) of investment returns made in excess of 2% p.a. above the Benchmark.	15.375% (15% plus the net effect of GST) of the change in value of the Redemption Price that exceeds the change in the value of the Fund's Benchmark.	n/a



# How IML manages your money

## Investment philosophy

IML's investment philosophy is based on a belief that a company's share price will reflect its underlying value in the long-term. We believe that markets are not fully efficient and there will be times that a company's share price will not reflect what we believe to be that company's true underlying value. Such situations provide our investment team with the opportunity to build long term portfolio positions in quality companies at attractive valuations.

We are focused on both quality and value when researching and analysing companies.

We are looking to invest in companies with four clear quality characteristics:

- competitive advantage
- recurring earnings
- capable management
- the ability to grow over time

Additionally, from a valuation perspective it is important that such companies be trading at a price below that which we believe represents the long-term underlying value of the company.

## Investment style

IML has an active, "bottom-up" approach to identifying, researching and valuing quality companies. Our approach is systematic, disciplined and focuses on finding companies that meet our investment criteria and then determining an appropriate valuation for those companies.

We believe that the underlying value of a company is best determined by quantifying and valuing the sustainability, quality and growth potential of a company's future earnings stream. The earnings stream from a company is important to us because it enables both the payment of dividends to shareholders and the reinvestment into the business for future growth.

The investment team at IML conducts detailed in house research and valuation on every investment being considered for each of the Funds and on every investment held by each of the Funds.

Individual investments from all allowable asset classes will generally be selected on the basis of their ability to fulfill all or part of the objectives of a Fund. As such, we will be seeking investments that we believe offer one or more of the following characteristics:

- provide an absolute real return over the long term to investors
- will pay a regular income stream
- are less volatile (risky) than the market in which they trade and therefore should minimise the impact of a falling market on the value of your investment.

As markets move through different cycles some asset classes will be more attractive in their ability to deliver on the objectives of a Fund. The overall makeup of the investments of a Fund will therefore change from time to time to reflect this relative valuation. This is the approach we will adopt in order to manage the asset allocation of each Fund.

Each Fund may invest up to 5% of the Fund's assets in unlisted securities, provided that at the time of the investment, IML has reasonable grounds to believe that the relevant company's securities will be listed on a regulated exchange within 12 months of the investment by the Fund. Please note that securities which IML expects will list on a regulated exchange may not be granted official quotation by that exchange, as the listing and quotation of securities are within the exchange's complete discretion.

IML may use options, futures and other derivatives to manage foreign currency risk, to gain exposure to particular securities and markets or to enhance the returns of the underlying physical investments.

IML will never use derivatives for the purposes of gearing any of the Funds.

The Fund may gain exposure to investments through other registered managed investment schemes. Where those schemes are also managed by IML, you will not be charged additional management fees to the extent that those fees relate to an investment on behalf of the Fund.

Whilst the constitutions of the Funds permit IML to borrow, the Funds will not borrow.

Ask your financial adviser or visit our website at [www.iml.com.au](http://www.iml.com.au) for regular updates on the Funds.

Each Fund's portfolio will be regularly reviewed in order to ensure that the Fund's risk and return objectives are being met by the current investments.

### For the Investors Mutual Value & Income Fund only:

GVI will manage the international securities component of the Fund. GVI will invest in industrial companies that exhibit recurring earnings and a strong, stable and competitive business. GVI's aim is to take long term positions in such companies where its investment team's fundamental research demonstrates that these companies are of high quality and represent good value. GVI will construct the international portfolio using individual stock selections which are not constrained by reference to any market index. GVI expects that this portfolio will show a significant departure from benchmark indices in regard to the weightings to sectors, countries and individual stocks. The Fund may seek exposure to any or all of the permissible asset classes either directly or indirectly, through an underlying fund. Where the Fund invests in an underlying fund managed by IML we will ensure that any fees charged by IML, in relation to this Fund's holding in the underlying fund are rebated in full back to this Fund so that you do not pay additional fees. The investment mix can change significantly and sometimes quickly.

### Who is Global Value Investors Limited?

GVI is a specialist international equities investment manager established in 2004 by its key investment staff, IML and Treasury Group Limited. GVI prudently manages clients' money using a conservative, disciplined and value based approach to investing. GVI holds AFSL 308107.

### Statement on socially responsible investing

We do not promote these Funds on the basis that IML takes into account labour standards or environmental, social or ethical considerations for the purposes of selecting, retaining or realising the investments of the Funds. IML is a signatory to the United Nations – Principles of Responsible Investment ([www.unpri.org](http://www.unpri.org)) (**Principles**).

### The Principles

The Principles were launched in April 2006, being in essence principles for what Principles believe to be global best practice for responsible investment. While the Principles are voluntary and aspirational, signatories are strongly encouraged to:

- incorporate environment, social and governance (**ESG**) issues into investment analysis and decision-making process;
- be active owners and incorporate ESG issues into our ownership policies and practices;
- seek appropriate disclosure on ESG issues by the entities in which we invest;
- promote acceptance and implementation of the Principles within the investment industry;
- work together to enhance our effectiveness in implementing the Principles; and
- report on our activities and progress in implementing the Principles.

In making investment decisions, IML takes into account the expected return and performance of individual investments. In doing so IML does not have a predetermined view on what it regards to be a labour standard or an environmental, social or ethical consideration or in relation to how any such considerations are to be taken into account and therefore considers them only where these factors are expected to have a material financial impact on an individual investment.

# 4.

## The benefits

The Funds will provide Australian and New Zealand investors access to Australian, New Zealand and international securities which provide attractive investment opportunities for investors seeking medium-to-long term capital growth with income.

The benefits to investors who subscribe for units in the Funds include the following:

- your money is managed by IML's investment professionals who have access to investment techniques that may not be available to all investors;
- access to investment opportunities and markets that may not be accessible to all investors;
- generally you can apply to withdraw your investment on any Business Day; and
- fund managers can usually transact at a lower cost than individual investors.

# 5.

## The significant risks

### What are the risks?

It is important to understand that there are risks inherent in any investment. The purpose of this section is to inform you of the types of risks that may apply to an investment in the Funds. Whilst we are not able to remove all the risks associated with an investment in the Funds, IML employ a range of investment and risk management strategies to identify, evaluate and manage these risks.

All investments are subject to varying risks and generally go up as well as down in value. Different asset classes perform differently at different times and have different risk characteristics and volatility.

The significant risks for the Funds and the way IML aim to manage them, are discussed below. The performance of the Funds or the return of capital is not guaranteed and the value of your investment in a Fund will go up and down with the value of that Fund's assets.

### Individual investment risk

Individual investments made by each of the Funds will fluctuate in value, meaning that on occasion they may

fall in value. A company's share price may fluctuate for a number of reasons. A company may undergo changes in its financial or operating circumstances, and may also face broader influences such as political and industry changes. IML aims to reduce these risks by conducting thorough analysis and research of all Funds' investments.

### Foreign currency risk

Investment in foreign markets gives rise to foreign currency exposure. This means the value of foreign investments will vary as exchange rates change. Fluctuations in foreign currency can have both a positive and negative impact on the investments of a Fund.

IML and GVI may hedge the relevant Fund's currency exposure back to Australian dollars.

### Market, country, interest rate and political risk

Economic, technological, political, legal and market conditions are variable. Changes in these factors can have both positive and negative influences on the value of a Fund's investments. The global economic, technological,

political, legal and market conditions may directly or indirectly impact on the operations of companies which may, in turn, have an indirect impact upon the value of a Fund's assets.

Changes in interest rates can also have a positive or negative impact directly or indirectly on investment values or returns. For example hybrid securities, cash and other interest-bearing securities are very sensitive to fluctuations in interest rates.

IML uses research and analysis to form a view on these matters and then adjusts the investments of the Funds to reduce impact of these risks.

### Fund risk

Risks particular to a Fund include the risk that it could be wound up, the fees and expenses could change, IML could be replaced as responsible entity or its portfolio managers could change or GVI could be replaced as investment manager. There is also a risk that investing in the Funds may give different results to investing directly in securities because of income or capital gains accrued in the Funds and the consequences of investment and withdrawal by other investors. You could receive back less than you invested and there is no guarantee that you will receive any income. If there is an interruption of regular trading in the market for an asset of a Fund, there may be delays in processing withdrawal requests.

IML aim to keep fund risk to a minimum by monitoring how these risks may impact on the Funds and the value of your investment.

### Derivatives risk

Derivatives risk includes:

- the value of derivative positions not moving in line with the movement in the underlying asset;
- potential illiquidity of the derivative; and
- Fund being unable to meet payment obligations as they arise in relation to derivatives contracts.

Although not all of these risks can be eliminated, IML manages these risks as far as practicable by:

- regular monitoring of each Fund's derivative exposure;
- monitoring that the Funds are able to pay all of the obligations associated with derivatives from the appropriate amount of cash or physical assets held by the Funds;
- not borrowing against a Fund's assets for the purposes of leveraging the portfolio;
- only investing in a limited class of derivatives (exchange-traded options, futures, foreign exchange and other derivatives);
- only investing in derivatives which IML considers to have adequate market depth; and
- only using intermediaries IML considers reputable.

### Liquidity risk

As the Funds will invest in securities listed on exchanges in Australia, New Zealand and globally, if there is an interruption of regular trading in a market or for a particular asset of the Funds (or if official quotation of stocks is denied), there may be delays in processing withdrawal requests. Similarly, for some securities in the Funds where the volume of trading is low, the ability to liquidate those securities in a timely manner may be impacted. IML closely monitors cash levels in the Funds to manage this risk and ensure that there is adequate liquidity to meet the needs of unit holders in ordinary circumstances.

### Unlisted securities risk

Unlisted securities are considerably less liquid than listed securities. IML will manage the liquidity risk by limiting investments in unlisted securities in each Fund to no more than 5% of the value of the Fund and by only investing in unlisted securities in the limited circumstances outlined in Section 3, "How IML manages your money". Generally, IML expects that the value of unlisted securities will be less than these maximums. Valuations for unlisted investments will be based on references to any recent comparable equity sales or by reference to independent, third party valuations.

# 6 Fees and other costs

The following warning is required by Australian law. Specific information about fees and costs relating to the Funds is available later in this section.

## DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your fund balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from A\$100,000 to A\$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the Funds or your financial adviser.

## TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website ([www.fido.asic.gov.au](http://www.fido.asic.gov.au)) has a managed investment fee calculator to help you check out different fee options.

This document shows fees and other costs which you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the fund assets as a whole.

Taxes are set out in Section 13 of this document.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

TYPE OF FEE OR COST <sup>1</sup>	AMOUNT	HOW AND WHEN PAID
Fees when your money moves in or out of the Funds		
Establishment fee The fee to open your investment	Nil	Not applicable
Contribution fee The fee on each amount contributed to your investment – either by you or your employer	Nil	Not applicable
Withdrawal fee The fee on each amount you take out of your investment	Nil	Not applicable
Termination fee The fee to close your investment	Nil	Not applicable
Management costs: The fees and costs for managing your investment		
Management Fees This is the fee payable to IML as the responsible entity. Out of this fee will be paid investment management fees and expenses, all ongoing administration, responsible entity fees and other fees that would normally be payable by the Funds except for transaction costs, government charges and abnormal expenses.	Refer to the Management Costs table below.	This fee is calculated and accrued daily and is paid monthly in arrears to IML from the assets of the Funds. This amount may be negotiated for wholesale investors. <sup>2</sup>
Performance Fees <sup>3</sup> Payable to IML if the performances of the Funds exceed the return of the Performance Hurdle for the Fund.	Refer to the Management Costs table below.	This fee is calculated and accrued daily and is paid at the end of a Performance Fee Period to IML from the assets of the Funds. <sup>3</sup>
Abnormal Expenses The abnormal expenses of the Fund including costs of unit holder meetings, changes to the constitution, pursuing/defending legal proceedings, changing the responsible entity or termination of the Fund.		Abnormal expenses are paid as and when they are incurred from the assets of the Fund.

Service fees		
Investment switching fee The fee for changing investment options	Not applicable	Not applicable

Note 1: Fees and costs include, if applicable, GST less any reduced input tax credits (RITC) and stamp duty. For the purposes of this PDS, it has been assumed that IML will be entitled to the maximum amount of RITC applicable when stating fee amounts. However, if the GST rate increases, or if the full amount of RITC is not available, the Funds' constitutions allow us to recoup the extra amount out of the Funds.

Note 2: Please refer to Item 6 in the "Additional explanation of fees and costs" section below for further details.

Note 3: Please refer to Item 1 in the "Additional explanation of fees and costs" section below for further details on how the Performance Fees are calculated and paid and details of the Performance Hurdle for each fund.

## Management Costs Table

The management costs of each Fund represent the management fee and performance fee, if any, charged by us. We will pay all normal expense recoveries out of the management fee, with the exception of any abnormal expense recoveries.

Fund	Management Fee	Performance Fee <sup>1</sup>
Investors Mutual Australian Share Fund (IMAS)	0.974% p.a. of the net assets of the fund (0.95% plus the net effect of GST)	Not applicable
Investors Mutual Value & Income Fund (IMVI)	1.025% p.a. of the net assets of the fund (1.0% plus the net effect of GST)	Not applicable
Investors Mutual Industrial Share Fund (IMIS)	0.974% p.a. of the net assets of the fund (0.95% plus the net effect of GST)	Not applicable
Investors Mutual Concentrated Australian Share Fund (IMCAS)	0.974% p.a. of the net assets of the fund (0.95% plus the net effect of GST)	10.25% (10% plus the net effect of GST) of investment returns made in excess of 2% p.a. above the Benchmark
Investors Mutual Small Cap Fund (IMCAP)	1.1275% p.a. of the net assets of the fund (1.10% plus the net effect of GST)	10.25% (10% plus the net effect of GST) of investment returns made in excess of 2% p.a. above the Benchmark
Investors Mutual Future Leaders Fund (IMFL)	0.974% p.a. of net assets of the fund (0.95% plus the net effect of GST)	15.375% (15% plus the net effect of GST) of the change in value of the Redemption Price that exceeds the change in the value of the Fund's Benchmark
Investors Mutual Australian Smaller Companies Fund (IMASC)	0.974% p.a. of net assets of the fund (0.95% plus the net effect of GST)	Not applicable

Note 1: For Performance Fees see 'Additional explanation of fees and costs' section below for how they are calculated.

## Example of annual fees and costs<sup>1</sup>

This table gives an example of how the fees and costs for this product can affect your investment over a one year period. You should use this table to compare this product with other managed investment products.

EXAMPLE Investors Mutual Australian Share Fund		BALANCE OF A\$500,000 WITH A CONTRIBUTION OF A\$50,000 DURING YEAR <sup>2</sup>
Contribution Fees	Nil	A\$0
<b>PLUS</b> Management Costs	0.974%	<b>And</b> , for every A\$500,000 you have in the Fund you will be charged A\$4,870 each year.
<b>EQUALS</b> Cost of Fund		If you had an investment of A\$500,000 at the beginning of the year and you put in an additional A\$5,000 during that year, you would be charged fees of: <b>A\$4,870*</b> <b>What it costs you will depend on the investment option you choose and the fees you negotiate with your Fund or financial adviser.</b>

Note 1: Please note that this is an example only and does not take into account transaction costs, government charges or any movements in the investor's investment or distributions that may occur over the course of the year.

Note 2: Please note that the minimum additional contributions for the Funds are A\$50,000.

Note 3: Additional fees may apply: The above example assumes the balance of A\$500,000 remains constant throughout the year and the additional contribution of A\$5,000 was made on the last business day of the year.

Any additional investments made will increase the portfolio balance on which the management costs are calculated.

Whilst the constitution for the Funds provides for the charging of additional fees, IML will not charge any additional fees unless investors are notified in accordance with 'Changes to the fees' in Item 5 below.

## Additional explanation of fees and costs

### 1. Performance fee

The table below provides the details of the Performance Fee for the Funds that are charged a performance fee.

Details	Future Leaders Fund	Small Cap Fund	Concentrated Australian Share Fund
Performance Fee	15.375%* of the change in value of the Redemption Price that exceeds the change in value of the Fund's Benchmark.	10.25%* of investment returns made in excess of 2% p.a. above the Benchmark.	10.25%* of investment returns made in excess of 2% p.a. above the Benchmark.
Benchmark	S&P/ASX 300 Accumulation Index (excluding S&P/ASX 50 excluding Property Trusts)	S&P / ASX Small Ordinaries Accumulation Index	S&P / ASX 300 Accumulation Index
Performance Hurdle	Benchmark	Benchmark plus 2% p.a.	Benchmark plus 2% p.a.
Maximum Performance Fee under the constitution	15.375%*	25.625%*	20.50%*
Performance Fee Period	Six months ending on 31 December and 30 June	Six months ending on 31 December and 30 June	Six months ending on 31 December and 30 June

\* These fees are expressed as a percentage of net assets of the relevant fund and include, if applicable, GST less any RITC and stamp duty.

## Calculation and accrual

The performance fee is calculated and accrued daily on each Business Day on the following basis:

### Actual Performance

IMFL

- The percentage change in Redemption Price (assuming distributions are reinvested and net of Management Fees) between the Business Day of the calculation and the previous Business Day of the calculation.

IMCAP and IMCAS

- The percentage change in the Mid Price (assuming distributions are reinvested and net of Management Fees) between the Business Day of the calculation and the previous Business Day of the calculation.

### Performance Hurdle Movement

Performance Hurdle Movement means the percentage change in the Performance Hurdle between the current Business Day compared to the previous Business Day.

IML determines the difference between the relevant Fund's Performance Hurdle Movement and the Actual Performance of the Fund (expressed as a percentage) each Business Day. The difference (expressed as a percentage) for each Fund may be positive or negative, representing the outperformance or underperformance of the Fund against its Performance Hurdle.

### Daily Performance Fee

For IMFL and IMCAP, the percentage outperformance (or underperformance) will be multiplied by the net asset value of the Fund (excluding any accrued Performance Fee) to obtain a dollar value of the Performance Fee for that Business Day (**Daily Performance Fee**). This Daily Performance Fee amount is added to or subtracted from (if it has underperformed) the aggregate Performance Fee amount accrued up until the previous Business Day.

For IMCAS, the percentage of outperformance (or underperformance) will be multiplied by the net asset value of the Fund (excluding any accrued Performance Fee with

an adjustment made for the net cashflow of the Business Day).

IML will then either add or subtract the Daily Performance Fee amount (as calculated above) to the accrued Performance Fee amount up to the prior Business Day.

If the aggregate Performance Fee amount up to the prior Business Days is positive, the aggregate Performance Fee amount is included as a liability of the fund and reflected in the daily unit price calculation.

If the aggregate Performance Fee up to that Business Day is negative, this means that no Performance Fee amount will be reflected in the unit price. Any negative brought forward aggregate Performance Fee will need to be offset against any positive Performance Fee that has been calculated on a daily basis.

### Calculation and payment at the end of a Performance Fee Period

The Performance Fee at the end of a Performance Fee Period (six months ending 31 December and 30 June) is the sum of the daily Performance Fees accrued during the Performance Fee Period including any amounts carried over from previous Performance Fee Periods (if the Performance Fee was not paid at the end of previous Performance Fee Period).

For a Performance Fee to be payable the movement in the Fund's Actual Performance for the Performance Period has to be positive.

For IMCAS only - if the units on issue have decreased by 5% or more over a Performance Fee Period, IML may extinguish a proportion of the negative aggregate daily Performance Fee accrual to adjust for the percentage decrease of redemptions so that the negative aggregate daily Performance Fee accrual at the end of the Performance Fee Period is reduced by the same percentage (to 2 decimal places).

The table below details the scenarios for the calculation and payment at the end of the Performance Period.

Possible Scenarios at the end of the Performance Fee Period	Whether the Performance Fee is payable or not
The Fund Actual Performance has not outperformed the Performance Hurdle since the last Performance Fee Period.	No Performance Fee is payable. Further, the negative aggregate performance figure is carried forward to the next period.
The Fund Actual Performance outperformed the Performance Hurdle since the last Performance Fee Period, but the aggregate Performance Fee daily accrual is insufficient to offset prior periods of negative Performance Fee accruals.	No Performance Fee is payable. Further, the negative aggregate Performance Figure is carried forward to the next period.
The Fund Actual Performance outperformed the Performance Hurdle since the last Performance Fee Period, but the Actual Performance for the period was negative.	No Performance Fee is payable The positive aggregate performance figure is carried forward to the next period.
After offsetting for any prior periods of negative carried forward aggregate Performance Fee daily accruals, the aggregate performance daily accrual is positive and the Fund Actual Performance is positive since the last Performance Fee Period.	Performance Fee is payable.

The constitution of the Industrial Share Fund permits a Performance Fee to be charged. However, to date, the Performance Fee has not been charged to the Fund.

The constitutions of the Australian Share Fund, Value and Income Fund and Australian Smaller Companies Fund do not permit a Performance Fee to be charged.

The IMFL constitution allows the percentage outperformance (or underperformance) to be calculated by reference to the gross asset value of the IMFL, rather than its net asset value. If this approach were adopted, the amount of any performance fee payable to IML would be higher than where it is calculated by reference to the net asset value. IML has never adopted this approach and does not intend to do so.

IML does not have to reimburse any of the Funds for any negative performance.

For periods of sustained outperformance, the Performance Fee may be substantial. We recommend you discuss this with your financial adviser to understand the impact of the Performance Fee.

## 2. Transaction costs (buy-sell spread)

Application and redemption prices for the Funds reflect an adjustment for an amount that represents the transaction costs, also known as the buy-sell spread, incurred by the Funds to acquire or sell the assets of the Funds in relation to each application and redemption.

Transaction costs are IML's reasonable estimate of the total cost of acquiring or selling the assets of the Funds expressed as a percentage of the net asset value per unit. The purpose of charging transaction costs is to prevent existing unit holders from bearing the transaction costs associated with investors acquiring and redeeming units in the Funds.

Transaction costs do not represent a fee or income to IML or any other agent or service provider.

Transaction costs of 0.25% will apply in respect of an application or redemption of units.

For instance, if on a particular date the price of a unit in a Fund, determined as described in Section 11, "Application and redemption prices", is A\$1.00 then the application and redemption unit prices calculated for that day's transactions will be A\$1.0025 and A\$0.9975 respectively.

Transaction costs may be altered by IML at any time and unit holders will be advised as soon as is practicable.

## 3. Flexible charging structure

Under the constitution for the Funds, IML is entitled to certain maximum contribution fees, withdrawal fees and management fees. It may waive, reduce or refund these fees in certain circumstances (for example, see Item 6 below).

The maximum amounts which IML is entitled to charge under the constitutions are as follows:

(a) Contribution fee

A contribution fee (or entry fee) of 4% (5% for IMCAP) (excluding GST) of each application amount.

(b) Withdrawal fee

A withdrawal fee of 4 % (5% for IMCAP) (excluding GST) of each withdrawal amount.

(c) Management fee

The constitutions for the Australian Share Fund, Value and Income Fund, Industrial Share Fund, Future Leaders Fund and Smaller Companies Fund provide that IML may receive a management fee of 2.00% (excluding GST) p.a. of the gross asset value of the Funds which is calculated and accrued daily and payable monthly in arrears.

The constitutions for the Concentrated Australian Share Fund and Small Cap Fund provide that IML may receive a management fee of 2.00% (excluding GST) p.a. of the net asset value of the Funds which is calculated and accrued daily and payable monthly in arrears.

Under each constitution, IML is entitled to recover all expenses in relation to the proper performance of its duties in respect of the Funds.

As set out in the fee table, IML has set the Management Fee of each Fund at a fixed percentage p.a. of the net asset value of a Fund (plus the net effect of GST) until investors are otherwise notified as set out in item 5 below.

From the Management Fee for each Fund, IML pays custody fees, responsible entity fees, investment management fees, audit fees, accounting fees, legal and regulatory fees, and all other normal costs of the Funds.

Transaction costs (such as brokerage and settlement costs), government charges (such as stamp duty and GST charged on brokerage) or expenses resulting from abnormal circumstances such as a change of the responsible entity or investment manager, termination of the Funds or unit holder meetings will be recovered from the assets of the relevant Funds as and when they are incurred.

#### 4. Adviser remuneration and service fees

IML does not pay an adviser service fee or commission to financial advisers.

You may incur a fee for the advice provided to you by your adviser, but this does not represent a fee that we have charged you for investing in the Funds and is not an amount paid out of the assets of the Funds. The amount of fees you will pay (if any) to your adviser should be set out in a Statement of Advice given to you by your financial adviser. You will be responsible for the payment of these fees and they will not be paid by IML. We recommend that you check with your adviser if you will be charged a fee for the provision of their advice.

Your adviser may represent a dealer group that receives payments from IML based on the volume of business they generate. If these payments are made by IML, they are not paid out of the value of your investment or out of the assets of the Fund.

#### 5. Changes to the fees

Subject to each Fund's constitution and the law, the fees outlined above may be varied at any time at the absolute discretion of IML. Reasons might include changing economic conditions or changes in the law. IML will provide investors in the Funds with at least 30 days prior notice of any proposed increase to the fees.

IML is only permitted to charge more than the maximum amount of the fee that a Fund's constitution specifies if the unit holders' approval by special resolution has been sought.

#### 6. Negotiated fees

IML may offer rebates or waivers of fees to wholesale clients on an individually negotiated basis in accordance with relevant law and any applicable ASIC relief. Wholesale clients should contact IML by phone on +61 2 9232 7500 or via email at mail@iml.com.au for further information.

#### 7. Incidental fees

The Funds may incur abnormal expenses, such as expenses associated with a change in responsible entity, termination of the Funds or a unit holder meeting. These expenses will be paid out of the Funds as and when these expenses occur.

#### 8. Tax

Taxes are set out in Section 13 of this document.

# 7 The latest Fund information

If you are interested in:

- the latest Fund performance figures;
- the current size of the Funds; or
- fee information,

then you may obtain further information to that contained in this PDS, as it becomes available, free of charge on request, from IML, or by visiting IML's website, [www.iml.com.au](http://www.iml.com.au). Printed copies of regular Fund reports are available from IML, free of charge on request.

# 8 How to invest

## Applications

To invest in the Funds, complete the application form that accompanies this PDS in accordance with the instructions in Section 21, "Completing the Application Form" and provide the supporting identification documents required for application or withdrawal under the Anti-Money Laundering and Counter Terrorism Financing Act 2006 that we may request from you (**Client ID**). The minimum initial investment in the Funds is A\$500,000. Additional investments must be for a minimum of A\$50,000. We reserve the right to accept lesser amounts for the initial and additional investments at our absolute discretion.

## Additional Applications

You can invest additional amounts by:

- a) depositing funds directly into the Fund's bank account and sending by facsimile to RBC Dexia on +61 2 8262 5492 a completed application form or by sending a facsimile with the following details:
- the Fund name;
  - your investor account ID;
  - the additional investment amount;
  - the date money was banked to the Fund's bank account; and
  - a phone number where we can contact you during business hours in case we need to ask you any questions about your request.

or

b) sending RBC Dexia a cheque together with a completed application form or letter with the following details:

- the Fund name;
- your investor account ID; and
- a phone number where we can contact you during business hours in case we need to ask you any questions about your request.

If a properly completed and signed application form with cleared payment and satisfactory supporting Client ID are received, identified and accepted before 3.00 pm Australian Eastern Standard Time (**AEST**) (or before 4:00 pm AEST for applications via SWIFT NET) on a Business Day, the application will usually be processed at the application price of the relevant Fund calculated for that Business Day. If the application request is received after 3:00 pm AEST (or 4:00 pm AEST where applicable) on a Business Day, provided the properly completed and signed application form with cleared payment and satisfactory supporting Client ID are received, identified and accepted, the application will usually be processed at the application price for the relevant Fund calculated for the following Business Day. The net asset values of the Funds are usually calculated on a daily basis (details of how application and redemption prices are calculated are set out in Section 11, ("Application and redemption prices").

If you do not complete another application form when making an additional investment, you should keep this PDS

(and any supplementary or updating documents) for future reference. You can request a copy of this PDS (and any supplementary or updating documents) free of charge at any time by emailing, phoning or writing to IML.

You will be sent a unit holder's statement setting out

details of your investments within seven Business Days of our accepting or rejecting your application for an investment. You will also be sent a unit holder's statement if you ask (free of charge and as soon as is practicable after your request).

# 9 Withdrawing your investment

## Withdrawals - Direct investors

Withdrawals must generally be for a minimum of A\$50,000 and leave a minimum holding of units having a value (based on the prevailing issue price) of at least A\$500,000, after the withdrawal (subject to your right to make a complete withdrawal). Where an investor's unit holding falls below this minimum we may redeem the remaining holding in full after giving the investor 30 days notice in writing of our intention to do so. However, we reserve the right to vary the minimum withdrawal and minimum unit holding at our absolute discretion.

We may compulsorily redeem an investor's units in the following circumstances:

- if the investor has breached its obligations to us;
- to satisfy any amount due to us by the investor or that we owe someone else relating to the investor (for example to the tax office); or
- where we suspect that the law prohibits the investor from being an investor in the Fund.

Withdrawal requests can be made by writing to RBC Dexia and providing the following information:

- the Fund name;
- your investor account ID;
- the value or number of units to be redeemed;
- bank account details for the payment of the withdrawal amount; and

- a phone number where we can contact you during business hours in case we need to ask you any questions about your request.

Subject to the terms and conditions below, IML will also accept requests for withdrawals by facsimile to RBC Dexia on +61 2 8262 5492 (the original must follow in the mail) of the details listed above provided it has no reason to believe the request is not genuine. Withdrawal requests will generally be processed based on the date the facsimile is received.

An investor who elects to make a facsimile request agrees with IML to the following terms and conditions.

In making a facsimile request:

- you release us from, and indemnify us against, all losses and liabilities whatsoever arising from our acting in accordance with any instructions received by facsimile bearing your account number, investor account ID and a signature purportedly yours or that of an authorised nominee; and
- you agree that we are not responsible to you for acting on any instructions received by facsimile which appear to be, but are not in fact, authorised by you, and that a payment made in accordance with instructions received by facsimile will be in complete satisfaction of our obligation to you to make a payment, notwithstanding that it was requested without your knowledge or authority.

You must advise us in writing if you do not want us to act on facsimile instructions in relation to your account.

The investor or their authorised nominee must sign withdrawal requests.

In the case of companies, a withdrawal request must be:

- a) signed by two directors or a director and a company secretary of the company (need not be under seal) and state in which capacity each signatory signs; or
- b) if a proprietary company that has a sole director who is also the sole company secretary, or where there is no company secretary, signed by that director (need not be under seal) and state that the signatory is signing in its capacity as the sole director and company secretary (if applicable); or
- c) executed under Power of Attorney of the company.

If the withdrawal request is received before 4:00 pm AEST on a Business Day (and if required by law, with satisfactory ID Documents), the withdrawal will usually be processed at the redemption price as at the close of business on that Business Day. If the withdrawal request is received after 4:00 pm, the withdrawal will usually be processed at the redemption price based as at the close of business on the next Business Day

(details of how application and redemption prices are calculated are set out in Section 11, "Application and redemption prices").

The proceeds of any withdrawal will usually be available within 7 Business Days and paid to the investor by direct credit to their nominated bank account. We reserve the right to delay redemptions where there is a circumstance outside our control which we consider impacts on our ability to properly or fairly calculate a unit price, or redemption requests of more than 20% of the value of the net assets of the Funds. If we delay redemptions, the redemption price is the next calculated redemption price. It is our intention to manage the Funds so that they are "liquid" for the purposes of the Corporations Act. If a Fund is not sufficiently liquid then investors will only be permitted to withdraw if we make a withdrawal offer to all investors in accordance with the Corporations Act.

### Master trust or wrap account investors (IDPS)

If you invest through an IDPS, you can only withdraw through the operator of that service in accordance with the terms and conditions of that service.

# 10 Distributions

## Income Distributions

The Funds' constitutions provide for distributions to be paid at least annually but we have the discretion to pay distributions more frequently. It is IML's current intention that the Funds will distribute semi-annually, except Value & Income Fund which will distribute generally quarterly. It is our intention to make distributions to investors by the 10th Business Day of January and July each year. In the case of the Value & Income Fund, generally quarterly distributions will be paid by the 10th Business Day of January, April, July and October each year.

IML may decide to make an interim distribution out of distributable income accruing during any interim distribution period and will inform investors accordingly.

Distributions can be made up of:

- income; and
- realised capital gains at the end of a Fund's financial year.

Each investor's distribution amount is calculated by dividing the total amount of the distribution by the total number of units of the relevant Fund on issue at the distribution date, and multiplying the result by the number of units held by each investor on that date. In each financial year, the full amount of taxable income available for distribution from the Funds is intended to be distributed to investors.

Application and redemption prices fall by the approximate amount of the distribution after each distribution period because a distribution reduces a Fund's assets. If you

invest just before the end of a distribution period, you may find you have some of your capital returned as income.

You may elect to have your distributions from the Funds:

- reinvested in further units in the relevant Fund/s; or
- paid to you by direct credit to your nominated bank account.

If you do not make an election on the application form as to how you would like to deal with your distributions, you will be deemed to have made an application to have all distributions reinvested in further units in the relevant Fund/s. Any change to distribution instructions should be advised to RBC Dexia at least 10 Business Days before the end of the relevant distribution period.

Units issued for reinvested distributions will be priced using the next mid price calculated after the end of the relevant distribution period.

You are entitled to receive distributions in some additional circumstances (such as if a Fund ever terminated). If we decide to terminate any Fund, investors in that Fund will participate in the distribution of any surplus after the satisfaction of the Fund's liabilities.

# 11 Application and redemption prices

The net asset value of each Fund and the application price and redemption price are calculated each Business Day.

The application price for a unit in each Fund is calculated as the value of the assets of the Fund, less the accrued expenses and other liabilities of the Fund (including the daily accrued management fee) as determined by IML divided by the number of units on issue, and adjusted by adding an amount to reflect transaction costs.

The redemption price for a unit in each Fund is calculated as the value of the assets of the Fund, less the accrued expenses and other liabilities of the Fund (including the daily accrued management fee) as determined by IML divided by the number of units on issue, and adjusted by subtracting an amount to reflect transaction costs.

Unit pricing on applications and redemptions is carried out in accordance with each Fund's constitution and IML's Unit Pricing Discretions Policy. If we were to exercise our discretion and change the current unit pricing process of the Funds, we must inform you of that exercise of discretion as soon as is practicable.

A copy of IML's Unit Pricing Discretions Policy is available from us free of charge upon request.

# 12.

## Keeping you informed

All investors will generally be sent by mail:

- within 7 Business Days of the acceptance of an application for units or reinvestment of distributions, a confirmation providing details of the units issued or notice that the application has been rejected;
- within 7 Business Days of processing a withdrawal request, a confirmation providing details of the units redeemed;
- within 7 Business Days of each month end, a unit holder's statement for that month, when there has been a transaction in that month;
- within 10 Business Days of the end of a distribution period, a distribution statement;
- within 20 Business Days of 30 June, an annual tax statement;
- within 20 Business Days of 30 June, an OMC and performance statement, (OMC means Other Management Costs) if this information has not already been provided to you with other unit holder statements;
- within 3 months of financial year end, an annual report for that financial year;
- within 6 months of the financial year end, a periodic statement (if you are a retail client and all the relevant information has not already been provided to you); and
- as soon as practicable upon request, a unit holder's statement showing transactions since the last unit holder's statement.

Where 100 or more investors hold units in a Fund, the Fund will be subject to regular reporting and disclosure obligations. Should a Fund become subject to the obligations, IML will ensure that such material information will become available as soon as practicable on the IML website - [www.iml.com.au](http://www.iml.com.au) (in accordance with ASIC policy). Such information includes the relevant Fund's annual or half yearly financial reports lodged with ASIC, any continuous disclosure notices and any other material updates. IML can provide you with the information free of charge upon request.

If you are investing through an IDPS account, information and reports on your investment in the Funds will be provided to you by the operator of that service, not by IML.

# 13.

## Important tax information

### Investing in managed Funds - what about tax?

Investing, and dealing with investments, has tax and often social security implications which can be complex, and which are invariably particular to your circumstances. This means that it is important that you seek professional taxation advice that takes account of your particular circumstances before you invest or deal with your investment. This discussion should serve only as a guide to the tax considerations that may arise. The discussion applies only to Australian resident investors. Different tax considerations arise for non-resident investors.

Additionally, the following summary in this section is the outlines of taxation that is based on the Australian tax laws as at the date of this PDS and is subject to change. At the time of this PDS, a number of amendments are proposed to the taxation of managed investment schemes (including amendments governing when managed investment trusts will be required to treat their assets on capital or revenue account for tax purposes, which in turn will have effects on investor's taxation). Once the amendments have been finalised we will review their effect on the Funds and investors and will advise of any material impacts on the Funds and their investors.

## The way managed Funds are taxed

It is intended that no income tax will be payable by the Funds as they will distribute all the income of the Funds to unit holders annually.

The distributions from the Funds will include the income the Funds have generated from their investing activities. The income will retain its character as it passes to the investors. As a result you may receive distributions that include interest, dividends and other income and capital gains (discounted and non-discounted).

## Foreign tax credits

Australian resident investors may be entitled to claim foreign tax credits in respect of foreign-sourced income generated from overseas investments. You may be able to use these foreign tax credits to offset the Australian tax payable on the foreign source income component of your distributions. However, foreign tax credits can only be used to offset Australian tax up to the amount of Australian tax otherwise payable by you on the net foreign source income to which the foreign tax credits relate.

## Tax on your distributions

Australian resident investors are generally subject to tax on their share of the income of the Funds. This will also include amounts that are reinvested in the Funds.

The way in which investors are taxed will depend on the character of the distributions they receive. We will send you an Annual Tax Statement indicating the components of your distribution within 20 Business Days after the end of each financial year which will assist you in completing your tax return.

## GST and managed funds

The issue of units in the Funds is not subject to GST, however,

the Funds may pay GST on the services they acquire.

Fees and expenses payable by the Funds are subject to GST at the rate of 10%. Generally, the Funds cannot claim full input tax credits for GST incurred on these services but it may be entitled to a reduced input tax credit (RITC) equal to 75% of the GST payable. If the GST rate increases, or if the full amount of RITC is not applicable, each Fund's constitution allows us to recoup the extra amount out of the Fund.

## Capital gains tax when you withdraw from the Funds

Australian residents who invest in the Funds are generally subject to capital gains tax on gains when they redeem units and withdraw any money from the Funds. Where the investor is regarded as a trader or institutional investor, such gains may be regarded as ordinary income. Individuals, trusts and complying superannuation entities may obtain partial capital gains tax exemptions in relation to the disposal of units and the capital gains portion of distributions.

## Quotation of Tax File Number (TFN) or Australian Business Number (ABN)

We recommend you provide your TFN/ABN on the application form for units in the Funds. If you choose not to and do not advise us that you have an exemption, we may be required to withhold or deduct tax from your distributions at the highest marginal tax rate, plus the Medicare levy, before passing on any distribution to you.

After 21 July each year, we cannot refund any TFN withholding tax deducted in the previous financial year. By quoting your TFN or ABN you authorise us to apply it to your investment and its disclosure to the Australian Tax Office. Collection of TFN or ABN information is authorised, and its use and disclosure are strictly regulated, by the tax laws and under privacy legislation.

# 14 Anti-money laundering and counter terrorism financing

In order to comply with the AML/CTF Act, we may need to obtain additional information before processing applications or withdrawals. This includes information to verify a potential investor's identity, any underlying beneficial owner of a potential investor and the source of any payment.

Where we request such information from the investor, processing of applications or withdrawals may be delayed until the required information is received in a satisfactory form and the investor is identified. IML as responsible entity may reject any application where such documents are not provided to RBC Dexia prior to lodgement of, or accompanying, the application form.

A transaction may be delayed, blocked, frozen or refused

where reasonable grounds are established that the transaction breaches the law or sanctions of Australia or any other country. Where such a transaction is delayed, blocked, frozen or refused, we are not liable for any loss the investor suffers (including consequential loss).

We may require additional information from the investor to assist us in identification and verification processes, and may need to re-verify information.

Investors should also be aware that under the legislation we are required to disclose information about suspicious matters to regulatory and/or law enforcement agencies and may be prevented from informing the investor of such disclosure.

# 15 Our responsibilities to you

Each Fund was established under a constitution. Together with this PDS and certain laws (including the Corporations Act), each constitution governs our relationship with you.

## Constitution

The constitutions deal with, amongst other things:

- the conditions under which a Fund operates;
- the rights, responsibilities and duties of the responsible entity and investors;
- fees and expenses; and
- termination of a Fund.

Subject to a Fund's constitution and the law, your liability in relation to your investment in a Fund is limited to the amount (if any) which remains unpaid for your units. However, higher courts have not finally determined the extent of liability of investors in managed investment schemes.

Subject to the Corporations Act, each constitution limits our need to compensate you if things go wrong. Generally, if we comply with our duties as responsible entity of a Fund, then we do not need to compensate investors for any loss suffered in relation to the Fund.

We may amend a constitution if we, as the responsible entity, reasonably consider that the amendment will not adversely affect investors' rights. Otherwise, we must obtain the approval of investors (by special resolution) to make changes to a constitution at a meeting of investors.

You may obtain a copy of a constitution free of charge by calling, emailing or writing to IML. IML's contact details are listed inside the back cover of this PDS.

If you are investing through a master trust or wrap account, the constitution will not govern our relationship with you. Please see Section 16, "Master trust and wrap account investors" for further information.

## Cooling-off

Certain retail investors who invest through IDPS service may have cooling-off rights under the law. Please contact your IDPS operator for further details. When we receive notification from your IDPS operator, we will refund your investment, reduced or increased for market movements. We will also deduct any tax or duty incurred/to be incurred and a reasonable amount for transaction and administration costs. As a result the amount returned to you may be less than your original investment.

## Privacy

We do not normally receive any personal information about retail investors when the retail investors invest in a Fund

through the IDPS operator. For details on the collection, storage and use of your personal information, please contact your IDPS operator.

If we do receive any of your personal information we will deal with it in accordance with our Privacy Policy. For a copy of our Privacy Policy, please visit our website or contact us.

## Complaints and Enquiries

If you are investing through an IDPS then complaints should be directed to the IDPS operator.

If you have any enquiries or complaints and want to contact us, please call or write to us.

# 16 Master trust and wrap account investors

Potential investors may invest in the Funds by directing an IDPS operator to acquire units in the Funds on their behalf. We authorise the use of this PDS as disclosure for investors and potential investors who wish to access the Funds through an IDPS or IDPS-like scheme (commonly known as a master trust or wrap account) or a nominee or custody service, where the operator has provided IML with a written undertaking in accordance with ASIC requirements.

To make an investment through an IDPS, complete an application form for that service. Do not complete the application form that accompanies this document.

For IDPS investors, the minimum initial and additional investment amounts shall be those specified by that particular IDPS operator. If your initial investment was made through an IDPS, any additional investment should also be made through them.

If you invest through an IDPS, you can only withdraw

through the operator of that service.

IDPS investors do not become unit holders in a Fund by directing the IDPS operator to acquire units on their behalf. Accordingly, they do not acquire the rights of a unit holder of the Fund. The operator of the IDPS acquires these rights and may exercise or decline to exercise them, on behalf of IDPS investors according to the arrangements governing the IDPS. Some provisions of the Fund's constitution are not relevant for IDPS investors. For example, IDPS investors cannot attend meetings or transfer units. IDPS investors should ignore information in the PDS relevant only to direct investors. This includes information relating to:

- minimum initial investment and additional investment;
- applications and application forms;
- reporting; and
- redemptions.

# 17

## The custodian and investment administrator

RBC Dexia has given, and has not withdrawn before the preparation date of this PDS, its written consent to be named in this PDS as the custodian and administrator for the Funds.

RBC Dexia's role as custodian is limited to holding assets of the Funds. As administrator, RBC Dexia is responsible for the day to day administration of the Funds. RBC Dexia has no supervisory role in relation to the operation of the Funds and has no liability or responsibility to you for any

act done or omission made in accordance with the custody and investment administration agreements to which it is a party with IML. RBC Dexia was not involved in preparing, nor takes any responsibility for, this PDS and RBC Dexia gives no guarantee of the success of the Funds nor the repayment of capital or any particular rate of capital or income return.

# 18

## Appointment of authorised nominees

A person, partnership or company may be appointed as an investor's authorised nominee by having the relevant section of the application form executed. The authorised nominee (if it is a company or partnership, including any person IML reasonably believes is an authorised officer or partner) may provide investment instructions in respect of the Funds, prepare, sign and provide requests to redeem units in the Funds, advise of changes to your details in respect of your investment in the Funds, and obtain information about your investments in the Funds. This appointment can be cancelled at any time by notice in writing to IML. All joint unit holders must sign the appointment or cancellation.

By appointing an authorised nominee the investor:

(a) releases, discharges and agrees to indemnify IML, RBC Dexia and the Funds from and against any and all losses, liabilities, actions, proceedings, accounts, claims

and demands arising from the fraud, negligence or appointment of or purported exercise of powers by the authorised nominee or in connection with the use of the facility;

- (b) agrees that a payment or purported payment (the payment) made in accordance with the requests or instructions of the authorised nominee shall be in complete satisfaction of the obligations of IML, to the extent of the payment, notwithstanding any fact or circumstance including that the payment was requested, made or received without the investor's knowledge or authority; and
- (c) agrees that if payment is made in accordance with the request or instructions of the authorised nominee, the investor shall have no claim against IML, in relation to the payment.

# 19.

## Glossary

**Actual Performance** means, for the purposes of calculating the Performance Fees, in relation to:

**Investors Mutual Future Leaders Fund:** the change in the Redemption Price on the day of calculation since the previous Business Day (for calculating the daily performance fee) or since the last Business Day of the previous performance period (for calculating the Performance Fee as at end of the Performance Fee Period); and

**Investors Mutual Small Cap Fund and Investors Mutual Concentrated Australian Share Fund:** the change in the Mid Price on the day of calculation since the previous Business Day (for calculating the daily Performance Fee) or since the last Business Day of the previous Performance Fee Period (for calculating the Performance Fee as at end of the Performance Fee Period).

**AFSL** means an Australian Financial Services Licence.

**ASIC** means Australian Securities and Investments Commission.

**Business Day** means a day that is not a Saturday, a Sunday or a public holiday or bank holiday in New South Wales.

**Client ID** means the identification documents required for application or withdrawal under the Anti-Money Laundering and Counter Terrorism Financing Act 2006 requested by us.

**Daily** means each Business Day.

**Fund or Funds** means one or more, depending on the context of:

Investors Mutual Australian Share Fund ARSN 093 182 695;  
Investors Mutual Value & Income Fund ARSN 107 095 438;  
Investors Mutual Concentrated Australian Share Fund ARSN 145 759 879;  
Investors Mutual Industrial Share Fund ARSN 093 182 195;  
Investors Mutual Small Cap Fund ARSN 122 918 496;

Investors Mutual Future Leaders Fund ARSN 093 182 828;  
and

Investors Mutual Australian Smaller Companies Fund ARSN 093 182 471,

all of which are registered managed investment schemes for which IML is the responsible entity.

**GVI** means Global Value Investors Limited (ABN 76 111 397 392).

**IDPS** means administration services or an investor directed portfolio services such as a master trust, wrap account or nominee service.

**IDPS operator** means the trustee or operator of the IDPS.

**Investor** or **unit holder** means someone who invests in the Funds by acquiring units in the Funds.

**Mid Price** means, for the purpose of calculating the Performance Fee for the Investors Mutual Small Cap Fund or the Investors Mutual Concentrated Australian Share Fund, means:

$$\frac{\text{net asset value of the fund—accrued performance fee + distributions made}}{\text{number of units on issue.}}$$

**p.a.** means per annum.

**PDS** means this Product Disclosure Statement.

**Redemption Price** means, in relation to calculating the performance fee for the Investors Mutual Future Leaders Fund:

$$\frac{\text{net asset value of the fund—accrued performance fee + distributions made—transaction costs}}{\text{number of units on issue.}}$$

**RITC** means a reduced input tax credit as defined in the A New Tax System (Goods and Services Tax) Act 1999 (Cth) as amended from time to time.

# 20

## Important information for New Zealand investors

This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 and Regulations. In New Zealand, this is Part 5 of the Securities Act 1978 and the Securities (Mutual Recognition of Securities Offerings – Australia) Regulations 2008.

This offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 and Regulations (Australia) set out how the offer must be made.

There are differences in how securities are regulated under Australian law. For example, the disclosure of fees for collective investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian securities may differ from the rights, remedies, and compensation arrangements for New Zealand securities.

Both the Australian and New Zealand securities regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Securities Commission, Wellington, New Zealand. The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian securities is not the same as for New Zealand securities.

If you are uncertain about whether this investment is appropriate for you, you should seek advice of an appropriately qualified financial adviser.

The offer may involve a currency exchange risk. The currency for the securities is not New Zealand dollars. The value of the securities will go up or down according to changes in the exchange rate between the currency and New Zealand dollars. These changes may be significant.

If you expect the securities to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

### General

During the currency of this offer document/PDS, we will provide you with copies of the relevant constitutional documents in respect of the Funds free of charge on your request.

Should you wish to serve us with any documents, you may do so by delivering them to either:

Mr Mark Todd or Mr Haydn Wong,  
Partner  
Bell Gully  
48 Shortland Street  
Auckland  
New Zealand

# 21 Completing the application form

Indicate whether you are a new or existing unit holder.

- if you are an existing unit holder, please include your investor account ID.
- new investors need to complete all relevant sections. If you wish to appoint an authorised nominee, also complete the Authorisation in Section 6 of the Application Form.
- existing unit holders quoting the investor account ID should complete all relevant sections.

## Trust and Company applications

Trust applications should be in the name of the trustee only, as simple notice of trust will not be accepted.

Company applications should be signed by two directors or a director and a company secretary of the company. If the company is a proprietary company that has a sole director who is also the sole company secretary or if there is no company secretary that director needs to sign the application form and also tick the box indicating this.

## Lodging Your Application

Application payments can be made either by cheque or direct credit.

## For payment by cheque

Cheques should be made payable to:

RBC Dexia IS AN IML Apps a/c <Name of Investor>

and sent together with the completed application form to:

RBC Dexia Investor Services Trust – Registry Operations  
GPO Box 4537  
Melbourne VIC 3001  
Australia

## For payment by direct credit

Payment should be credited to the following account:

Bank: ANZ Banking Group

BSB: 012/003

Account Name: RBC Dexia IS AN IML Apps a/c  
<Name of Investor>

Account Number: 837 194 679

For additional investments, a completed application form (or written instruction) must be sent by facsimile to RBC Dexia on +61 2 8262 5492 by 3:00pm (AEST) (or 4:00pm where applicable) on the same day as the Funds are banked. For further details, please see Section 8, 'How to invest'.

**IML HAS AN ABSOLUTE DISCRETION TO ACCEPT OR REJECT ANY APPLICATION.**

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AUBQ-IML-PDS

# 22 Detachable forms



## FORMS

Investors Mutual Limited  
AFS Licence No: 229988  
ABN: 14 078 030 752  
Application for units  
IML Wholesale Funds  
Page 1 of 16

## Application for Units

This application form must not be handed to another person unless attached to or accompanied by the IML Wholesale Funds PDS dated 01 September 2010. The PDS contains important information about investing in the Funds. You should read the PDS in full before applying for units in any of the Funds. On request, Investors Mutual Limited will send you a copy of the PDS free of charge. Units in the Funds will only be issued on receipt of an application form issued together with the PDS. If you give another person access to this application form you must at the same time and by the same means give them access to the PDS and any updating materials.

To comply with our obligations under AML/CTF Act, we must collect certain information about each investor (and any authorised nominee where applicable), supported by certified copies\* of relevant identification documents.

Documents written in a language other than English must be accompanied by an English translation prepared by an accredited translator (please contact us for a list of accredited translators).

\* See "How to certify a document" in Section 7 of the Application Form.

**Please provide all relevant documents as indicated duly certified. We cannot accept applications without these documents.**

Please send the completed form to:

RBC Dexia Investor Services Trust – Registry Operations  
GPO Box 4537 Melbourne VIC 3001 Australia

Applications by facsimile only accepted from existing unit holders. Facsimile +61 2 8262 5492.

## Adviser Use Only

Name of Adviser	<input type="text"/>	
Phone	<input type="text" value="( )"/>	
Dealer Group	<input type="text"/>	
Adviser Address (Correspondence)	<input type="text"/>	
Adviser Email Address	<input type="text"/>	
Adviser Signature	<input type="text"/>	Advisers Stamp <input type="text"/>
Date	<input type="text"/>	

### OFFICE USE

Applicant AML KYC Completed (including copies of documents collected)  Value date confirmed

# IML Wholesale Funds



New Investor:  
Initial Investment

Existing Investor:  
Additional Investment

Investor ID:

## 1. General

Name of investor as you would like it to appear on Register of Unitholders

Please tick one box to indicate type of investor and then complete the relevant part of this Section 1.

- Individual – section 1.1 + 2 to 7 + 8.1
- Joint investors – section 1.1 + 2 to 7 + 8.1
- Company – section 1.2 + 2 to 7 + 8.2
- Trust/super fund – sections 1.1 + 1.3 + 2 to 7 + 8.3 (if trustee is individual)
- Trust/super fund – sections 1.2 + 1.3 + 2 to 7 + 8.3 (if trustee is company)
- Partnership – sections 1.1 + 1.4 + 2 to 7 + 8.4 (if partners are individuals)
- Partnership – sections 1.2 + 1.4 + 2 to 7 + 8.4 (if partners are companies)
- Association – section 1.5 + 2 to 7 + 8.5 (if incorporated)
- Association – section 1.1 + 1.5 + 2 to 7 + 8.5 (if unincorporated)
- Government body – section 1.6 + 2 to 7 + 8.6

Please ensure an Authorised Nominee completes Section 6, if applicable

### Identification Documentation – Sections 7 and 8

Section 7 for requirements for certified documents

Section 8 for AML/CTF Act Identification documentation

It is not compulsory to provide your TFN. However, without your TFN or exemption information, withholding tax will be deducted from your distributions at the highest marginal rate (plus Medicare levy).

## 1.1. Individual/Joint Applicants

### Applicant 1

Title	<input type="text"/>	Surname	<input type="text"/>	
		Given Names	<input type="text"/>	
		Date of Birth	<input type="text"/>	
		TFN or Exemption Code	<input type="text"/>	
		Country of Residence for Tax Purposes	<input type="text"/>	
		Residential Address (this must not be a PO Box)	State	Postcode

If there is no Applicant 2, please cross out this section

**Applicant 2**

Title	<input type="text"/>	Surname	<input type="text"/>	
		Given Names	<input type="text"/>	
		Date of Birth	<input type="text"/>	
		TFN or Exemption Code	<input type="text"/>	
Country of Residence for Tax Purposes	<input type="text"/>			
Residential Address (this must not be a PO Box)	<input type="text"/>		State	Postcode

For Joint Applicants, include authorisation required for withdrawals\*:

Either to Sign     Both to Sign

\* If no election is made, "Both to Sign" will be assumed.

Persons receiving the PDS within Australia or New Zealand, but being a non-resident for Australian tax purposes, should state their country of residence for tax purposes.

**1.2. Company Applicant**

Full name of Company	<input type="text"/>		
ACN	<input type="text"/>	TFN	<input type="text"/>
Country of Residence for Tax Purposes	<input type="text"/>		
Is the company registered by ASIC as a	<input type="checkbox"/> Proprietary Company or a <input type="checkbox"/> Public Company? (please tick appropriate box)		
Registered Address	<input type="text"/>		State      Postcode
Principal Place of Business in Australia	<input type="text"/>		State      Postcode

If the company is an Australian listed company, write here the name of the relevant market/exchange it is listed on.

If the company is a majority owned subsidiary of an Australian listed company, write here the name of the Australian listed company and the name of the relevant market/exchange it is listed on.

**Foreign Company**

If the Applicant Company is a Foreign Company

ARBN issued by ASIC

Registered address in country of origin

**Proprietary or Private Company**

If a Proprietary or Private Company is an Applicant, please also provide:

Full name of each Director of the Company


If insufficient space, please provide full names of all directors on a separate page and attach to this application form.

Tick here if you are including details of additional directors.

List the name and address of each beneficial owner of the company.

(A beneficial owner is an individual who owns, directly or indirectly through one or more shareholdings, more than 25% of the company's issued capital. Beneficial owners must be individuals and cannot be companies or trustees. There cannot be more than four beneficial owners of a company).

Beneficial Owner 1 -

Full Name

Residential Address

<input type="text"/>	<input type="text"/>	<input type="text"/>
	State	Postcode

Beneficial Owner 2 -

Full Name

Residential Address

<input type="text"/>	<input type="text"/>	<input type="text"/>
	State	Postcode

If the company has more than two beneficial owners, please provide additional details on a separate page that is marked with the name of the company and attach it to this application form.

Tick here if you are including details of additional beneficial owners.

## 1.3. Trust Applicant

If your trust has an **Individual/s as trustee/s**, please complete **Section 1.1** with the trustee's details and this section with details of the trust.

If your trust has a **company/ies as trustee/s**, please complete **Section 1.2** with the trustee's details and this section with details of the trust.

Full Name of Trust/ Super Fund	<input type="text"/>		
Full Business Name of the Trustee	<input type="text"/>		
ABN	<input type="text"/>	TFN	<input type="text"/>
Contact	<input type="text"/>		
Country of Residence for Tax Purposes	<input type="text"/>		

Type of Fund (eg managed investment scheme, regulated trust, government superannuation fund, other)

If "Other" trust type selected, please provide the following information:  
The full name and address of each trustee of the trust

### Trustee 1

Name	<input type="text"/>		
Address	<input type="text"/>		
	<input type="text"/>		<input type="text"/>
	State	Postcode	

### Trustee 2

Name	<input type="text"/>		
Address	<input type="text"/>		
	<input type="text"/>		<input type="text"/>
	State	Postcode	

Note: If the trust has more than two trustees, please provide additional details on a separate piece of paper that is marked with the name of the trust and include it with this application form.

Tick here if you have included details of additional trustees.

If the terms of the trust identify the beneficiaries by reference to membership of a class, please provide details of the membership class (eg unit holders, family members)

OR

Provide details of each beneficiary in respect of the trust

	Full given Name (s)	Surname
1.	<input type="text"/>	<input type="text"/>
2.	<input type="text"/>	<input type="text"/>
3.	<input type="text"/>	<input type="text"/>
4.	<input type="text"/>	<input type="text"/>
5.	<input type="text"/>	<input type="text"/>

If the trust has more than five beneficiaries, please provide the additional details on a separate piece of paper which is marked with the name of the trust and include it with this application form.

#### 1.4. Partnership Applicant

If your partnership has **individual partners**, please complete Section 1.1 with one partner's details and this section with details of the partnership.

If your partnership has **corporate partners**, please complete Section 1.2 with one partner's details and this section with details of the partnership.

Full Name of Partnership	<input type="text"/>	
Registered Business Name of Partnership (if any)	<input type="text"/>	
Registered Business Number of Partnership (if any)	<input type="text"/>	
Number of Partners	<input type="text"/>	
Registered Address of Partnership	<input type="text"/>	
	State	Postcode
Country where Partnership established	<input type="text"/>	

If the Partnership is not regulated by a professional association, please provide details of each Partner in the Partnership.

Full given Name(s)	First Name	Surname
	<input type="text"/>	
Residential Address (this must not be a PO Box)	<input type="text"/>	
	State	Postcode
Full Name	First Name	Surname
	<input type="text"/>	
Residential Address (this must not be a PO Box)	<input type="text"/>	
	State	Postcode

If the partnership has more than two partners, please provide the additional partners' details on a separate piece of paper which is marked with the name of the partnership and include it with this application form.

### 1.5. Association Applicant

If your Association is unincorporated and an individual who is a member of your association is the applicant on behalf of the association, the applicant individual must complete Section 1.1 with his/her details together with this section below with details of the partnership.

If your Association is incorporated, then the person making the application on behalf of the Association must complete the section below.

Full name of Association	<input type="text"/>	
ID number issued on Incorporation (if any)	<input type="text"/>	TFN <input type="text"/>
Country of Residence for Tax Purposes	<input type="text"/>	
Registered Address (this must not be a PO Box)	<input type="text"/>	
	State	Postcode
Principal Place of Business (this must not be a PO Box)	<input type="text"/>	
	State	Postcode

Name and full residential address of the Chairman or equivalent officer

Full Name	<input type="text"/>	
Residential Address (this must not be a PO Box)	<input type="text"/>	
	State	Postcode

Name and full residential address of the Secretary or equivalent officer

Full Name	<input type="text"/>	
Residential Address (this must not be a PO Box)	<input type="text"/>	
	State	Postcode

Name and full residential address of the Treasurer or equivalent officer

Full Name	<input type="text"/>	
Residential Address (this must not be a PO Box)	<input type="text"/>	
	State	Postcode

## 1.6. Government Body Applicant

Full name of Government Body

Principal Place of Operations

Please tick one category:

Commonwealth of Australia Government Body

or

Australian State or Territory Government Body

State

or

Foreign Country Government Body

Country

## 2. Contact details

Name of Primary Contact

Preferred address for correspondence

State

Postcode

Phone (h)

Phone (w)

Facsimile

Email

## 3. How much to invest

Please note that the minimum direct initial investment is A\$500,000. Minimum additional investment is \$A50,000

Fund

Amount

Investors Mutual Australian Share Fund

A\$

Investors Mutual Value & Income Fund

A\$

Investors Mutual Industrial Share Fund

A\$

Investors Mutual Small Cap Fund

A\$

Investors Mutual Future Leaders Fund

A\$

Investors Mutual Concentrated Australian Share Fund

A\$

Investors Mutual Australian Smaller Companies Fund

A\$

Payment method

Cheque

EFT

Bank Deposit

Cheques should be made payable to: "RBC Dexia IS AN IML Apps A/c <Name of Investor>"

#### 4. Income Distribution Instructions

I/we elect to receive distributions by:

- Please reinvest income
- Please pay income to the Australian bank, building society or credit union account detailed below

Account Name	<input type="text"/>		
Name of Institution	<input type="text"/>		
Address	<input type="text"/>		
BSB	<input type="text"/>	Account No.	<input type="text"/>

If no election is made, distributions will automatically be reinvested.

#### 5. Declaration & Signature

- I / We have read and understood the attached PDS dated 1 September 2010 and this application form (as completed) and agree to be bound by the provisions set out in the PDS and the Fund/s constitution/s, as amended from time to time.
- I / We are over 18 years of age.
- I / We declare that I am / we are not commonly known by any other names different to those disclosed in this application form.
- I / We declare any documents or information whatsoever used for verification purposes in support of my/our application are complete and correct.
- I / We agree to give further information or personal details to Investors Mutual Limited if required to meet its obligations under anti-money laundering, counter-terrorism financing and taxation legislation.
- These declarations are to apply to each application which I/we may from time to time make for units in the Fund/s, as if made in respect of each such application.
- I / We acknowledge that it may be a criminal offence knowingly to provide false, forged, altered or falsified documents or misleading information or documents when completing this Application.
- I / We acknowledge that neither Investors Mutual Limited nor any other party guarantees the repayment of capital, payment of income or the performance of the Funds.
- I / We acknowledge that if this is a joint application, our investment is as joint tenants.
- I / We acknowledge that the acceptance of my/our application form will be at the sole discretion of Investors Mutual Limited.
- I / We acknowledge that the information contained in the PDS is not investment advice or a recommendation that a Fund is suitable for my/our investment needs.
- I / We understand that I / we do not have to provide my / our Tax File Number, Australian Business Number or Australian Taxation Office Exemption Number, but if I/we do not, tax will be deducted from income distributions at the highest marginal rate plus Medicare Levy.
- If signed under Power of Attorney, the Attorney hereby declares that he / she is authorised under that Power to execute this document and has not received notice of revocation of that Power.

- If the applicant is a company and the application is not executed by Power of Attorney, the signatories declare that they are:
  - Two directors of the company; or
  - A director and company secretary of the company; or
  - For a proprietary company that has a sole director who is also the sole company secretary (or where there is no company secretary), that director.
- I/We acknowledge that if I/we make additional investments in a Fund, I/we have received the current PDS at the time of making the additional investment or agree/s to be bound by the most current PDS.
- This Application Form, once signed by me, holds me to a number of representations and warranties, among other things, relating to matters of which Investors Mutual Limited must seek confirmation in order to comply with the provisions of the Anti-Money Laundering and Counter Terrorism Financing Act 2006.

**For New Zealand investors**

- I/We understand that the PDS is not an investment statement under New Zealand law and that there are likely to be differences between the information provided in a PDS as compared to an investment statement under New Zealand law. I/We have read and understand the 'Important additional information for New Zealand investors' section in the PDS.

**5.1. Applicant 1 / Director / Sole Director**

Print Name

Signature  Date

**5.2. Applicant 2 / Director / Company Secretary**

Print Name

Signature  Date

Please tick if sole Director and Company Secretary

## 6. Appointment of Authorised Nominee

You may appoint an Authorised Nominee to act on your behalf, on the terms set out in Section 18 of the PDS dated 1 September 2010, by completing this section. An Authorised Nominee must be at least 18 years of age.

Strike out the following if not applicable

### 1. I / We hereby appoint:

Full Name of Authorised Nominee

PO Box / Street Address

	State	Postcode

as my/our Authorised Nominee to do the following things in respect of my/our investment in the:

Investors Mutual Australian Share Fund and/or (Please delete fund/s not applicable)  
 Investors Mutual Value & Income Fund and/or  
 Investors Mutual Industrial Share Fund and/or  
 Investors Mutual Small Cap Fund and/or  
 Investors Mutual Future Leaders Fund and/or  
 Investors Mutual Concentrated Australian Share Fund and/or  
 Investors Mutual Australian Smaller Companies Fund,

- provide investment instructions in respect of the Fund/s;
- prepare, sign and provide requests to redeem units in the Fund/s;
- give directions in relation to payment of distributions;
- advise of changes to my/our details in respect of my/our investment in the Fund/s; and
- obtain information about my/our investment in the Fund/s.

### 2. Applicant 1

Signature  Date

### 3. Applicant 2 (If there is no Applicant 2, please strike out this section)

Signature  Date

Strike out if not applicable

I agree to be bound by the provisions set out in Section 18 of the PDS dated 1 September 2010 under the heading "Appointment of authorised nominee" and I understand the terms of the Authorisation hereby given to me.

### 4. Authorised Nominee

Signature  Date

## 7. How to certify a document

To comply with our obligations under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (AML/CTF Act), we must collect certain information about each investor. In some cases, this information must be supported by a “certified copy” or “certified extract” of an identification document.

### Details of a Certifier

Name	<input type="text"/>		
Address	<input type="text"/>		<input type="text"/>
	<input type="text"/>		<input type="text"/>
Phone Number	<input type="text"/>		
Category of Certifier (refer to list below)	<input type="text"/>		

Each document provided with this form must be certified by an acceptable certifier. **We will not accept photocopies or facsimiles of a certification.** A certified copy is a document that has been certified as a true and correct copy of an original document. A certified extract is an extract that has been certified as a true copy of the relevant information contained in the original document.

### For documentation certified in Australia

Copies can be certified by any one of the following:

- an officer with, or authorised representative of a holder of an AFSL, having two or more continuous years of service with one or more AFSL holders
- an officer with two or more continuous years of service with one or more finance companies or financial institutions
- a permanent employee of Australia Post with two or more years of continuous service who is employed in an office supplying postal services to the public
- an agent of Australia Post who is in charge of an office supplying postal services to the public
- a justice of the peace
- a person who is enrolled on the roll of the Supreme Court of an Australian state or territory, or the High Court of Australia, as a legal practitioner (however described)
- a judge of a court
- a magistrate
- a chief executive officer of a Commonwealth court
- a registrar or deputy registrar of a court
- an Australian police officer
- an Australian consular or diplomatic officer
- a member of the Institute of Chartered Accountants in Australia, CPA Australia or the National Institute of Accountants with two or more years of continuous membership
- a notary public.

# 6

## **For documentation certified in a foreign country**

Copies can be certified by either of the following:

- an Australian consular officer, or
- a notary public.

**Documents written in a language other than English must be accompanied by an English translation prepared by an accredited translator.**

## **Information to be provided on certified copies**

### **Certifier's Details**

The person signing the copy of any document must include the following details on each certified copy:

- the date of certification
- full name in block capital letters
- address
- telephone number
- the capacity (as noted above) in which certifier is signing, and
- an official stamp/seal of the certifier's organisation, if applicable.

### **Certifier's Declaration**

Certifiers must include the following declarations, as appropriate, on each certified copy:

On the front page of every document

- For all copies:  
"I certify that I have seen the original documentation and this copy (or, this and the following pages,) is a complete and accurate copy of that original".
- For photographic documents:  
"I certify that I have seen the original documentation and that the photograph is a true likeness and this copy (or, this and the following pages,) is a complete and accurate copy of that original".

## 8. AML/CTF Act Identification Documentation

**All relevant identification documents must be duly certified. We cannot accept applications without these documents.**

Please refer to Section 7 for certification directions.

### 8.1 Individual/Joint Applicants

**Please provide one Primary or two Secondary Documents.**

#### Primary Documents

Please tick to indicate which one of the following documents is being provided for each investor:

- Certified copy of a current Australian passport. For Australian passports only, we will accept a passport that expired within the two years prior to submitting this application form, or
- Certified copy of a current foreign passport that shows your photograph, date of birth and signature. If your passport is written in a language other than English, it must be accompanied by an English translation prepared by an accredited translator, or
- Certified copy of a current Australian driver's licence (must contain your photograph, date of birth and signature and include front and back of licence), or
- Certified copy of a current card issued by an Australian state or territory for the purpose of proving a person's age (must contain your photograph, date of birth and signature and front and back of the card).

#### Secondary Documents

If you do not have any of the primary documents above, we will accept certain Australian or foreign documentation.

Please tick below to indicate whether you are providing Australian or foreign documentation.

##### Australian documentation

Please provide one document from each of the groups below.

Please tick below to indicate which document you are providing:

##### Group 1

- Certified copy of an Australian birth certificate, or
- Certified copy of an Australian citizenship certificate, or
- Certified copy of a pension or health card issued by Centrelink,

**And**

##### Group 2

- An original notice, showing your name and residential address, issued in the preceding 12 months by the Australian Taxation Office or any Australian Commonwealth, State or Territory Government body, or
- An original notice (such as an electricity bill or rates notice) showing your name and residential address, issued in the preceding 3 months by a local government body or a utilities provider.

##### Foreign documentation

Please tick to indicate you are providing the following:

##### Group 1

- Certified copy of national identity card issued by a foreign government, the United Nations (UN) or an agency of the UN (must contain your photograph date of birth and signature),

**And**

##### Group 2

- Certified copy of foreign driver's licence (must contain your photograph, date of birth and signature).

**Sole Trader**

If Applicant is a Sole Trader, please tick to indicate you are providing:

- a Business Name Search (if applicable)
- ABN number (if applicable)

**8.2 Company**

**Please provide one of the following documents.**

Please tick to indicate that you are providing:

**Domestic Company**

- A search of the relevant domestic stock exchange; or
- A public document issued by the relevant company (e.g. Annual Report); or
- A search of the relevant ASIC database; or
- A search of the licence or other records of the relevant regulator.

**Or**

- Certified copy of a certificate of registration or incorporation issued by the relevant foreign registration body (must show full registered name of company, name of registration body, foreign company identification number and the type of company – private or public. If the certificate is written in a language other than English, it must be accompanied by an English translation prepared by an accredited translator.

**Foreign Company**

- Certified copy of a certificate of registration or incorporation issued by the relevant foreign registration body (must show full registered name of company, name of registration body, foreign company identification number and the type of company – private or public). If the certificate is written in a language other than English, it must be accompanied by an English translation prepared by an accredited translator.

**8.3 Trust**

**Please provide a document in Group 1 or two documents in Group 2.**

Please tick to indicate that you are providing:

**Group 1**

- Search result downloaded from the relevant regulator's website showing the full name of the trust, and that the trust is a registered scheme, regulated trust or government superannuation fund,
- List of the full names and addresses (not PO Boxes) of all beneficiaries. If beneficiaries are identified by reference to a class – details of the class;

**Or**

**Group 2**

- Certified copy or certified extract of the trust deed confirming the full name of the trust, or
- Notice (such as assessment notice) issued to the trust by the Australian Taxation Office within the preceding 12 months, or
- Letter from a solicitor or qualified accountant verifying the name of the trust.

## 8.4 Partnership

### Please provide the following documents

Please tick to indicate that you are providing one of the following:

- Certified copy or certified extract of the partnership agreement; or
- Certified copy or a certified extract of minutes of a partnership meeting; or
- Original current membership certificate (or equivalent) of a professional association; or
- Membership details independently sourced from the relevant professional association; or
- Search of the relevant ASIC or other regulator's database; or
- Notice issued by the Australian Taxation Office within the last 12 months, etc. Notice of Assessment (with TFN blocked out); or
- Certified copy of a certificate of registration of business name issued by a government or government agency in Australia.

## 8.5 Association

### Please provide one of the following documents.

Please tick to indicate that you are providing:

- Certified copy of a certificate of registration of association, or
- Certified copy of a certificate of incorporation of association issued by relevant Commonwealth or State registration body.

## 8.6 Government Body

### Please provide one of the following documents.

Please tick to indicate that you are providing:

- Certified copy of certificate/document confirming existence of body; or
- Certified copy of register of government bodies including applicant body; or
- Certified copy of extract of legislation establishing body obtained from a reliable and independent source, such as a government website.

# 23.

## Who to Contact

### For Application and Redemption requests:

Investors Mutual Limited  
c/- RBC Dexia Investor Services Trust – Registry  
Operations  
GPO Box 4537  
Melbourne VIC 3001  
Australia  
Facsimile: +61 2 8262 5492

### For further information about Investor Mutual Limited and the Fund:

Investors Mutual Limited  
Level 24, 25 Bligh Street  
Sydney NSW 2000  
Australia  
or  
PO Box H104  
Australia Square NSW 1215  
Australia  
Phone: +61 2 9232 7500  
Facsimile: +61 2 9232 7511  
Email: [mail@iml.com.au](mailto:mail@iml.com.au)  
Internet: <http://www.iml.com.au>

### To make a complaint:

Compliance Manager  
Investors Mutual Limited  
PO Box H104  
Australia Square NSW 1215  
Australia

## Business Development:

Wayne McGauley  
Head of Retail, State Manager Queensland  
Phone: +61 7 3229 0514 or  
Mobile: +61 4 0401 2644

Nicole Aubrey  
National Account Manager  
Phone: +61 2 8224 0518 or  
Mobile: +61 4 2159 6524

David Blair  
State Manager New South Wales,  
Australian Capital Territory  
Phone: +61 2 8224 0519 or  
Mobile: +61 4 1048 4389

David Glascott  
State Manager Victoria, Tasmania  
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Peter Jackson  
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